21st April 1964] [Deputy Chairman]

Clauses 2 and 3 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRIMATHI JOTHI VENCATACHELLUM: Sir, I move—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1964 (L.A. Bill No. 17 of 1964), as passed by the Assembly, be passed."

DEPUTY CHAIRMAN: Motion moved—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1964 (L.A. Bill No. 17 of 1964), as passed by the Assembly, be passed."

SRI K. BALASUBRAMANYA AYYAR: Sir, I hope the Deputy Chairman will appeal to the Hon. Minister not to bring in another Bill covering residential buildings. Representations should be carefully looked into and merely because there are representations we should not take action.

DR. A. LAKSHMANASWAMI MUDALIAR: Sir, it is stated that representations have been received by the Government. I ask for those representations to be placed on the table of the House so that the Members may look into them and see what sort of people have made representations and what their object in making the representations is. This Act was expected to be extinct by this time. But it is being given life year after year. I hope this House will be given an opportunity to go into all the matters connected with this Bill. We are not unreasonable people. We have supported the Government in many a measure. We will support them here also, if there is any need for this.

DR. H. V. HANDE: I hope the Hon. Minister will give sympathetic consideration to the representations of those interested in the rents of residential buildings.

DEPUTY CHAIRMAN: The question is—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1964 (L.A. Bill No. 17 of 1964), as passed by the Assembly, be passed."

The motion was put and carried and the Bill was passed.

(2) THE LAND IMPROVEMENT LOANS (MADRAS AMENDMENT) BILL, 1964 (L.A. BILL NO. 8 OF 1964).

THE HON. SRI V. RAMAIAH: Mr. Chairman, Sir, I move—

"That the Land Improvement Loans (Madras Amendment) Bill, 1964 (L.A. Bill No. 8 of 1964), as passed by the Assembly, be taken into consideration."

a Printed as Appendix II on page 26.

The Technical Committee on Land Mortgage Banks constituted by the Reserve Bank of India recommended *inter alia* that the mortgages executed in favour of a land mortgage bank as security for the loan issued by it should be given priority over any claim of Government resulting from the loans granted under the Land Improvement Loans Act, 1883 (Central Act XIX of 1883), after the execution of the mortgage in favour of the Land Mortgage Bank.

Section 28 of the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act X of 1934), already provides that the mortgages executed in favour of a land mortgage bank should be given priority over any claim of the Government arising from the loans under the Land Improvement Loans Act, 1883 (Central Act XIX of 1883), granted after the execution of the mortgage. But under the proviso to sub-section (1) of section 7 of the Land Improvement Loans Act, 1883 (Central Act XIX of 1883), loans granted under that Act get priority over the interest of mortgagees of the land for the benefit of which the loan has been granted. In order to remove the apparent conflict between the provisions of these two enactments, it has been decided to undertake legislation to amend the proviso to sub-section (1) of section 7 of the Land Improvement Loans Act, 1883 (Central Act XIX of 1883). Sub-section (5) of section 32 of the Madras Co-operative Societies Act, 1961 (Madras Act 53 of 1961), also provides that the charge created by sub-section (1) of that section in favour of a registered society should be given priority over any claim of the Government arising from a loan granted under the Land Improvement Loans Act, 1883, after the grant of the loan by the society. Opportunity is therefore being availed of to amend the Land Improvement Loans Act, 1883, to remove the apparent convict between the provisions of the said Act and the Madras Co-operative Societies Act, 1961, also.

This Bill seeks to achieve these twin objects. I move that the Bill be taken into consideration.

DEPUTY CHAIRMAN : Motion moved—

"That the Land Improvement Loans (Madras Amendment) Bill, 1964 (L.A. Bill No. 8 of 1964), as passed by the Assembly, be taken into consideration."

3–20 p.m. DR. H. V. HANDE : Mr. Deputy Chairman, Sir the proposed amendment of sub-section (1) of section 7 of the Central Act XIX of 1883 is, in my opinion, dangerous because it encourages the mortgagee to raise a loan without any control and it also encourages the mortgage banks to give loans with greater ease, thereby contributing to the increase in land price. Besides, there is always the serious risk of the Government not getting the money back from the mortgagee. I hope the Hon. Minister and the Members will take these facts into consideration before accepting this amendment.

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* THE HON. SRI R. VENKATARAMAN : Mr. Deputy Chairman. I think the hon. Member has not fully appreciated the purpose of the amendment as well as the effect of the amendment. As the law now stands, the loans given under the Land Improvement Act have a priority over any other debt while the land mortgage banks, have a priority under another enactment. There is a conflict between the Land Mortgage Bank Act and the Land Improvement Act. Now, in the case of a loan given, after the land improvement loan is granted by the land mortgage bank, it will take its precedence after the land mortgage bank loan. Conversely if a land improvement loan is given after the loan given by the land mortgage bank, then notwithstanding the fact that under the Land Improvement Act, there is priority for that loan, we are providing now that it should not get priority. Otherwise, the loans given by the co-operative land mortgage banks will suffer. Therefore, we have said that priority will be determined by the order in which the loan are given and in order to effectuate that, this amendment has been brought in. It will not encourage anybody to borrow. In any event, loans under the Land Improvement Act are not given so easily, nor can the loans from the land mortgage bank be obtained so easily.

திரு. ஏ. கே. தங்கவேல் முதலியார் : Land Mortgage Bank ல் பழைய கடன் பட்டிருந்தால் அதை முதலில் பைசல் செய்து விட்டுத் தான் Improvement Loan- க்கு வர வேண்டும்.

DEPUTY CHAIRMAN : The question is—

"That the Land Improvement Loans (Madras Amendment) Bill, 1964 (L.A. Bill No. 8 of 1964), as passed by the Assembly, be taken into consideration."

The motion was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI V. RAMAIAH : Sir, I move—

"That the Land Improvement Loans (Madras Amendment) Bill, 1964 (L.A. Bill No. 8 of 1964), as passed by the Assembly, be passed."

DEPUTY CHAIRMAN : The question is—

"That the Land Improvement Loans (Madras Amendment) Bill, 1964 (L.A. Bill No. 8 of 1964), as pasesed by the Assembly, be passed."

The motion was put and carried and the Bill was passed.

DEPUTY CHAIRMAN : The House will now adjourn and meet again at 5 p.m. tomorrow.

The House then adjourned.